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MEMORANDUM FOR: DDA  
General Counsel

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FROM:

Legislation Division  
Office of Legislative Liaison

STAT

SUBJECT: Affirmative Action Program at State - Provision  
in Foreign Aid Bill

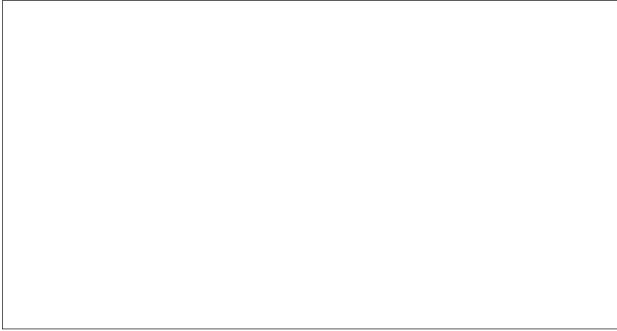
1. Attached for your information is a copy of pp H5496-5497 of the Congressional Record of 11 July 1985 in which Representative Gray successfully adds to H.R. 1555, the "International Security Development and Cooperation Act of 1985" (Foreign Aid Authorization Bill), a provision implementing a more thorough-going affirmative action program for positions at the mid-level and senior level in the State Department and other agencies using the Foreign Service personnel system. H.R. 1555 subsequently passed the House and currently is in conference. It appears this provision will survive conference, but we will keep you informed of its status.

2. The provision does not affect the Agency directly. As you will recall, however, changes in the law affecting Agency personnel practices often start as changes in the law affecting personnel practices at the State Department, e.g., the former spouses legislation which ultimately became part of the law governing CIARDS began as a provision in the Foreign Service Act of 1980. As you may also know, Representative Stokes, Chairman of the Subcommittee on Legislation of the House Permanent Select Committee on Intelligence (HPSCI), has expressed an interest in the Agency's equal employment opportunity program.

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Attachment  
as stated



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## CONGRESSIONAL RECORD — HOUSE

July 11, 1985

(1) **FEDERAL GOVERNMENT REPRESENTATIVES.**—Ten members shall be representatives of the International Trade Administration, the Department of Energy, the Department of State, the Department of Transportation, the Office of the United States Trade Representative, and a Federal institution involved in export financing.

(2) **PRIVATE SECTOR REPRESENTATIVES.**—

(A) Five members shall be representatives of export coal producers, including traders and brokers.

(B) Five members shall be representatives of coal labor.

(C) Five members shall be representatives of transporters of export coal, including representatives of rail and barge carriers and port authorities.

(D) Five members shall be representatives of institutions having a substantial interest in United States export coal financing.

(c) **EXPENSES.**—Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(d) **COOPERATION.**—All Federal departments and agencies are authorized to cooperate with the Commission and to furnish information, appropriate personnel, and such assistance as may be agreed upon by the Commission and the Federal department or agency involved.

(e) **ACTIVITIES.**—The Commission shall convene not less than four times a year for consultation on activities leading to increased cooperation among entities involved in United States coal exports, with the goal of expanding the United States share of the international coal market. Activities of the Commission shall include, but are not limited to, the identification of—

(1) diplomatic channels to facilitate the exportation of United States coal and methods to increase the coordination of diplomatic efforts relating to such exports;

(2) domestic and international impediments to coal exports;

(3) foreign markets for United States export coal, with emphasis on increasing United States coal sales to developing nations and expanding the participation of the United States International Development Cooperation Agency in such an effort;

(4) availability of, and methods of, financing United States coal exports, including the feasibility of increasing Federal export financial and economic assistance; and

(5) methods to promote, market, and coordinate United States coal on the international market.

The Commission shall also examine the potential for small- and medium-sized coal companies to enter the export coal trade through export trading companies with respect to the marketing, transportation, and financial services which such trading companies may provide pursuant to the Export Trading Company Act of 1982 (Public Law 97-290).

(f) **REPORT.**—The Commission shall submit to the President and the Congress, within two years after its first meeting, a report which details its findings pursuant to subsection (e) and, based upon such findings, makes recommendations which would lead to the expansion of the United States share of the international metallurgical and steam coal market.

(g) **TERMINATION.**—The Commission shall cease to exist upon submission of its report pursuant to subsection (f).

Mr. RAHALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

(Mr. RAHALL asked and was given permission to revise and extend his remarks.)

Mr. RAHALL. Mr. Chairman, the amendment I am offering is noncontroversial and simply seeks to establish under the auspices of the Commerce Secretary a Federal Coal Export Commission.

The goal of this Commission would be to increase the cooperation and coordination of those parties involved with U.S. coal exports. Among the Commission's mandates would be the identification of diplomatic channels to increase coal exports, impediments to these exports and foreign markets for U.S. coal with an emphasis on those in developing nations.

Further, the Commission would seek to identify innovative methods of financing U.S. coal exports.

The importance of creating such a commission, which would be authorized for a 2-year period and consist of representatives from both the Federal Government and the private sector, is due to the nature of the international coal trade with many foreign buyers being governmental entities.

The U.S. Federal Government must show these foreign buyers that it is committed to maintaining and increasing the U.S. market share of international coal demand. It can only be through such a joint Government-private sector effort that many of the impediments to the coal export trade will be resolved.

Of special importance, and I would like to highlight this portion of the amendment, is the work the Commission would do with respect to examining areas of coal export financing, insurance and the U.S. foreign aid program to developing nations who have growing coal requirements as they further their efforts to industrialize.

The agency for International Development has undertaken activities to help developing nations reduce their dependence on imported oil while also assisting these nations to increase their use of coal.

The agency has stated that one of its principle objectives in this effort is to assist countries to develop methods to increase their use of coal in such a way so as to increase opportunities for U.S. coal exporter. I would submit that AID's efforts in this regard have not been overly successful to date and would be enhanced by its participation in the Federal Coal Export Commission.

The same benefit would be enjoyed by the U.S. Export-Import Bank which has sent millions of dollars overseas to coal projects which will

compete with U.S. coal on the world market and even in this country itself, but has only seen fit to expend a paltry \$250 million last year through its Export Credit Insurance Program to assist U.S. coal exports.

Problems such as these—which are basically due to lack of cooperation and coordination among Federal agencies and the private sector—are those which would be addressed by the Commission established by this amendment. I ask for its adoption.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. I am glad to yield to the chairman of the full committee, the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, we have examined this amendment on this side. We agree with the gentleman on the need for this, and we accept the amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. I yield to the ranking minority member, the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has also explained the amendment to us, and we accept it, too, on this side.

Mr. RAHALL. I thank both gentlemen for their agreement to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. RAHALL]. The amendment was agreed to.

AMENDMENT OFFERED BY MR. GRAY OF PENNSYLVANIA

Mr. GRAY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gray of Pennsylvania: Page 154, after line 24, insert the following new section:

SEC. 1208. REPRESENTATION OF MINORITIES AND WOMEN IN THE FOREIGN SERVICE

(a) **DEVELOPMENT OF PROGRAM.**—The head of an agency using the Foreign Service personnel system shall develop, to the extent practicable, an affirmative action effort designed to increase significantly the number of members of minority groups and women in the Foreign Service in that agency.

(b) **EMPHASIS ON MID- AND SENIOR-LEVELS.**—The affirmative action efforts developed pursuant to this section shall place particular emphasis on achieving significant increases in the numbers of minority group members and women who are in the mid-levels and senior-levels of the Foreign Service.

(c) **GOAL.**—The goal of the program developed pursuant to this section shall be to have the representation of minority groups and women in the Foreign Service at least equivalent to those groups' respective proportions within the labor force of the United States.

(d) **REPORTS TO CONGRESS.**—The head of an agency shall report annually to the Congress on the affirmative action effort developed pursuant to this section as part of the report required to be submitted pursuant to section 105(d)(2) of the Foreign Service Act of 1980. Subsequent reports pursuant to that section shall include reports on the im-

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plementation of these efforts, giving particular attention to the progress being made in increasing, through advancement and promotion, the numbers of members of minority groups and women in the mid-levels and senior-levels of the Foreign Service.

Mr. GRAY of Pennsylvania (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Chairman, I rise to offer an amendment to H.R. 1555. My amendment would simply increase the representation of minorities and women within our Foreign Service.

Under this amendment, the head of those agencies using the Foreign Service personnel system would develop an affirmative action effort designed to increase minority and female representation within the Foreign Service to a level of at least equivalent to those groups' respective proportion within the labor force of the United States. Under the requirements of section 105(d)(2) of the Foreign Service Act of 1980, the Secretary of State now reports annually on the State Department's minority recruitment effort.

The amendment now under consideration would simply strengthen the existing provision, with the expanded report addressing itself to the progress being made in increasing the members of mid- and senior-level minority and female personnel in the Foreign Service. I have paid particular attention to mid- and senior-level positions because it is at these levels that the imbalance which now exists is most apparent. It is also at these levels that there is the greatest scope for impact and involvement.

Mr. Chairman, the Foreign Service needs to embody a balance and realistic reflection of our Nation's best minds. There are many minorities, many women, who are equipped to serve and pursue this country's best interests abroad but who, by dint of tradition and bias have been effectively locked out of the Service. There is no reason to delay correcting this imbalance and this amendment is a significant step and new direction.

Mr. Chairman, I urge my colleagues to join me on this issue.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the distinguished subcommittee Chair of jurisdiction, the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I would just like to take a moment to commend the gentleman for the very sensitive and delicate wording that has been put forth in this amendment. I think it addresses the problem responsibly, addresses

it in an appropriate manner, and we appreciate the gentleman working with the subcommittee and the full committee on this language.

Mr. GRAY of Pennsylvania. I want to thank the gentleman from Florida, the distinguished Chair of the subcommittee, for his efforts in drawing up this language, which effectively just strengthens what the Congress decided in the Foreign Service Personnel Reform Act of 1980.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, I have been advised by the State Department that they have no objection to the gentleman's amendment and I am happy to endorse his amendment.

Mr. GRAY of Pennsylvania. I thank the ranking member very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GRAY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SUNDQUIST

Mr. SUNDQUIST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUNDQUIST: Page 154, after line 24, insert the following new section:

SEC. 1208. EMPLOYEES OF THE UNITED NATIONS.

(a) INITIAL REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of State shall report to the Congress on whether, and the extent to which, international civil servants employed by the United Nations, including those seconded to the United Nations, are required to return all or part of their salaries to their respective governments. The Secretary shall also include in this report a description of the steps taken by the Department of State and by the United States Representative to the United Nations to correct this practice.

(b) REPORT ON STEPS TO CORRECT PRACTICE.—The Secretary of State shall determine and report to the Congress on whether substantial progress has been made by January 1, 1987, in correcting the practice of international civil servants employed by the United Nations being required to return all or part of their salaries to their respective governments.

Mr. SUNDQUIST (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. SUNDQUIST asked and was given permission to revise and extend his remarks.)

Mr. SUNDQUIST. Mr. Chairman, there are 773 Soviet nationals employed by the United Nations and its specialized agencies. There are another 200 Eastern bloc employees over which the Soviet Union exercises some degree of influence.

The U.S. intelligence community estimates that one-fourth of the Soviets

in the U.N. Secretariat are intelligence officers. That means some 200 Soviets who receive U.N. salaries do not have U.N. duties as their primary function; rather, their primary function is espionage and activities in support of Soviet objectives.

This should not be news to my colleagues. There are numerous public sources which discuss espionage by Soviet employees of the United Nations.

For example, former U.N. Under Secretary General, Arkady Shevchenko, who defected to the United States, reveals the workings of the KGB within the United Nations in his best-selling book, "Breaking With Moscow." Shevchenko says a key duty was to find jobs for KGB agents.

In the June 17 issue of U.S. News & World Report, James Fox of the FBI's Soviet counterintelligence section stated: "They have KGB meetings right in the halls of the U.N."

In a recent public report by the Senate Select Committee on Intelligence, the U.S. intelligence community concluded, "The Soviet Union is effectively using the U.N. Secretariat in the conduct of its foreign relations, and the West is paying for most of it."

The Intelligence Committee report went on to note that some 90 percent of the salaries of Soviet U.N. employees are paid for by contributions from other member states.

This information should be of concern to my colleagues.

Mr. Chairman, we are helping the Soviets in their efforts to subvert the United Nations and to undermine our society through propaganda and espionage. We are, in fact, subsidizing activities against ourselves to the tune of \$20 million a year.

How does this occur?

Soviet employees of the United Nations are loaned, or "seconded," to the Secretariat. They are given the salary, status, and privileges of international civil servants. But, in reality, they maintain their position within the Soviet bureaucracy. They are required to turn their U.N. paycheck over to the Soviet mission, which then pays them at the rate of a Soviet employee of the mission. The balance is kept by the Soviet mission.

As I said, this kickback system nets the Soviets \$20 million a year.

The Soviets receive a further subsidy when the seconded employee leaves the United Nations. The hard currency contribution to the U.N. pension fund is turned over to the Soviet mission.

The American taxpayer's contribution to the United Nations is thus used to finance activities against our freedoms. Further, we are forced to pay for increased counterintelligence costs. Thus the current system penalizes the taxpayer twice: Once in the amount we pay to the United Nations, and again in what goes to our counterintelligence efforts.